(b) at present, what is the level of private sector in defence production in volume and percentage terms;

(c) what steps have taken to simplify the procedures to involve private sector, so far; and

(d) the details of results achieved so far?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI B.K. HANDIQUE): (a) In May 2001, the defence industry sector was opened up to 100% for Indian private sector participation with FDI permissible up to 26% both subject to licensing.

(b) The level of private sector participation in defence production in the Defence Public Sector Undertakings and Ordnance Factories during the year 2004-05 in terms of value has been of the order of Rs. 1,901 crore and Rs. 2,177 crore, respectively, which works out to about 19% for Defence PSUs and 68% in the case of Ordnance Factories of the total purchases made by them.

(c) and (d) Detailed guidelines in the form of Press Note No. 2 (2002 Series) dated 4th January 2002 hae been issued by the Department of Industrial policy & Promotion in consultation with the Ministry of Defence for licensing production of arms and ammunition. So far, 23 Letters of Intent/Industrial Licences have been issued to private companies for manufacture of a wide range of Defence items.

Change in designation of MNS Cadre

39. SHRI K. CHANDRAN PILLAI: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that there is an Army proposal to divest the Military Nursing Service Cadre of their rank as officers and replace them with designation such as "Sister" and "Matron";

(b) if so, the details thereof;

(c) the rationale of such decisions; and

(d) the reaction of Government thereto?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) to (d) A ten-member Committee was constituted by the Chief of the Army

Staff (COAS) TO examine the grievances of the Military Nursing Service (MNS) officers. The Committee included the senior most officer of MNS cadre. The Committee, in its report submitted to the COAS in July 2005, has made several recommendations for improving the organizational structure and cadre management of MNS including redesignation of MNS rank structure. The issue relating to redesignation of MNS rank structure is under examination of Army Head Quarters (AHQs). No decision to redesignate the MNS Cadre has been taken.

Embraer Jets

40. SHRI K. RAMA MOHANA RAO: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that IAF has inducted an Embraer Business Jet into its fleet for VVIP movement;

(b) if so, the details thereof;

(c) whether it is also a fact that Government of India is going to get three boeings for VVIPS; and

(d) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) and (b) Government have concluded a contract with M/s Embraer, Brazil during September, 2003 for procurement of five executive jets. Four jets are meant for the Indian Air Force (IAF) and one for the Border Security Force (BSF). Two aircraft for the IAF and one for the BSF were delivered in August, 2005. The remaining two aircraft are expected to be delivered by December, 2005. Acquisition of the executive jets will enable the IAF and BSF to execute safe and efficient carriage of VIPs and visiting VIPs.

(c) and (d) Government have concluded a contract with M/s Boeing, USA during October, 2005 for procuremtnt of three Boeing Business Jets. These are being jpjrocured in replacement of the existing two Boeing 737-200 aircraft with the IAF Communication Squadron for metting the travel requirement of the VIPs and other dignitaries. The three Boeing Business Jets are expected to be delivered in January, 2008, June, 2008, and October, 2008 repectively.